



**IDAHO
POWER**

An IDACORP Company

IDAHO POWER COMPANY
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February 8, 2001

VIA FAX TRANSMISSION

Mr. Alan W. Seder
Director of Business Development
ASTARIS, LLC
622 Emerson Road - 5th Floor
St. Louis, Missouri 63141

Mr. Paul R. Yochum
Plant Manager
ASTARIS, LLC
PO Box 4111
Pocatello, Idaho 83205

RE: Discussion Offer Regarding Closure of
Astaris Pocatello Plant

Dear Mr. Seder and Mr. Yochum:

As you know, the Pacific Northwest and Idaho Power Company are projecting a shortage of electric power for the year 2001. Idaho Power Company is willing to initiate discussions with you concerning the reduction of electrical consumption at the Astaris Pocatello plant. If Astaris were willing to reduce its contract demand for the first block down to 10 MW, Idaho Power Company would be willing to consider waiving all charges concerning the second block and all charges for the first block except for the charges applicable to the 10 MW of electric service. In addition to the waiving of the contract charges except for 10 MW, Idaho Power Company would pay \$75 per MWh to Astaris for the 726,000 MWh of first block power that Idaho Power Company would no longer be required to provide to Astaris. This would result in a payment to Astaris of \$6,050,000 per month for the period from April 1 through December 31.

Assuming that Idaho Power Company and Astaris were to agree to this arrangement, Idaho Public Utilities Commission approval would also be required, including authorization for the recovery of \$80,500,000 through the power cost adjustment provision. The cost to customers other than Astaris includes both the payments to Astaris and the lost revenues from Astaris.

Exhibit No. 201
Case No. IPC-E-01-43
A. SEDER, ASTARIS
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Astaris Letter
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I would appreciate a prompt response from you concerning whether this proposal is of interest to you.

Cordially



John R. Gale

JRG:ma

c: Ken Tandy
Rich Riazzi
Larry Ripley
Celeste Schwendiman